

GENERAL INFORMATION FOR FILING YOUR 1999 LOUISIANA RESIDENT INDIVIDUAL INCOME TAX RETURN

Important: If provided, taxpayers should file the pre-printed tax form imprinted with their name and address.

WHO MUST FILE A RETURN

1. All resident individuals who are required to file a federal individual income tax return must file a return reporting all income earned in 1999.
2. Any taxpayer who has overpaid his tax through withholding or declaration of estimated tax must file a return to obtain a refund or credit.
3. If you are **not required to file a federal return**, but had Louisiana income tax withheld in 1999, you may file a return to claim a refund of the amount withheld. **No Louisiana tax is due under these circumstances.** Print a "0" on Lines 7, 16A, and 16B. Complete Lines 17A through 22B where applicable. On the face of the return above Line 7, print your wages as reported on your W-2 and mark the box indicating you are not required to file a federal return.
4. Any military personnel whose home of record is Louisiana and who meets the filing requirements of 1 or 2 above must file a return and report all of his income regardless of where he was stationed. If you are single, you should file a resident return (IT-540) and report all of your income to Louisiana.

If you are married and both you and your spouse are residents of the State of Louisiana, you should file a resident return (IT-540) and report all of your income to Louisiana. If you are married and one of you is not a resident of Louisiana, you have the option of filing a resident (IT-540) or nonresident (IT-540B) return. You may choose the option that is more beneficial to your current situation.

Resident taxpayers are allowed a credit for any net income tax paid to another state on nonmilitary income and income earned by the spouse, provided such income was included on the Louisiana return.

5. Any military personnel whose domicile is not Louisiana must report any nonmilitary Louisiana source income on Form IT-540B.
6. A temporary absence from the State of Louisiana does not automatically change your domicile for income tax purposes. The intention to change one's domicile to another state must be shown by actions taken. Examples of actions taken include: registering to vote, registering and titling vehicles, obtaining a driver's license, changing children's school attendance, obtaining homestead exemption, or any other actions that show intent.

ELECTRONIC FILING SYSTEM

Those taxpayers who wish to file their returns electronically may obtain Form 8453 from their electronic filing vendor.

DECLARATION OF ESTIMATED TAX

Every individual whose Louisiana income tax liability can reasonably be expected to exceed \$200 (\$400 if joint declaration) after deducting all credits and income tax withheld is liable for the filing of a declaration of estimated tax. The underpayment of estimated tax is subject to a 12 percent addition to the tax. See Form IT-540ES for details.

FORMS

Forms and instructions may be obtained from any office of the Department of Revenue. The locations are listed on the cover of this booklet.

AMENDED RETURNS

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, you must file an amended Louisiana return. A corrected return for the tax year being amended should be submitted along with an explanation of the change(s) and a copy of the federal amended return, Form 1040X, if one was filed. The form should be clearly marked with an "x" in the "Amended Return" box. Do not make any adjustments on Lines 17A and/or 17B for refunds previously received or for payments previously made. This information is already on file.

FEDERAL TAX ADJUSTMENTS

Louisiana Revised Statute 47:103C, requires taxpayers whose federal returns are adjusted to furnish a statement disclosing the nature and amounts of such adjustments within 60 days after the adjustments have been made and accepted. This statement should accompany your amended state return.

WHEN TO FILE AND PAY TAX

1. A calendar year return is due on or before May 15, 2000.
2. Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year.
3. The total amount of tax on a calendar or fiscal year income tax return shall be paid on the earlier of the date the return is actually filed or the date the return is required by law to be filed, determined without regard to any extension of time for filing the return.

WHERE TO FILE AND PAY TAX

MAIL forms and payment to: Department of Revenue, P. O. Box 3440, Baton Rouge, LA 70821-3440, or DELIVER to any office of the Department listed on the cover of this booklet. **DO NOT SEND CASH.**

Payments should be made payable to the **Department of Revenue**. Cost for processing drafts or checks drawn on foreign banks will be charged to the taxpayer.

Print your Social Security Number on all payments and correspondence.

EXTENSION OF TIME FOR FILING A RETURN

Louisiana recognizes the extension granted by the Internal Revenue Service. Attach a copy of your automatic or approved federal extension to your Louisiana income tax return.

An extension only extends the time to file the return, not the time to pay any tax that may be due.

Use Form R-6465 to request an extension beyond the date required for filing your federal return. The form is included in the back of this booklet.

INSTALLMENT AGREEMENT

An installment request, Form R-19025, is included in the back of this booklet. If you are unable to pay the balance in full by the due date, this request must be submitted along with a minimum payment of 20% of the total amount owed.

INTEREST AND PENALTY

INTEREST — Interest is due on all items of tax not paid on time. Interest is computed at the rate of 15 percent per annum from the date due until the date paid.

DELINQUENT PENALTY — For failure to file a return on time, a penalty of 5 percent of the tax accrues if the delay in filing is not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during which the failure to file continues, not to exceed a total of 25 percent.

LATE PAYMENT PENALTY — For failure to pay the tax in full by the date the return is required by law to be filed, determined without regard to any extension of time for filing the return, a penalty of 0.5 percent of the tax not paid accrues for each 30 days during which the failure to pay continues, not to exceed a total of 25 percent.

KEEP YOUR RECORDS

Taxpayers should keep copies of federal and state returns and W-2 statements for four years. Do not submit a copy of your federal return, unless requested by the Department.

HELPFUL HINTS TO AVOID DELAYS

1. On a joint return, print the Social Security Numbers in the same order that you listed them on your federal return.
2. Do not complete Lines 8, 9, and 10 if you do not itemize your deductions on your federal return.
3. If you are reporting retirement benefits on Line 4D2 or 4E of Schedule E, you must print the name of your retirement system in the spaces provided.

INSTRUCTIONS FOR PREPARING YOUR 1999 LOUISIANA RESIDENT INDIVIDUAL INCOME TAX RETURN FORM IT-540

ABOUT THIS FORM

The return has been designed for electronic scanning that permits faster processing with fewer errors. In order to avoid unnecessary delays caused by manual processing, taxpayers should follow the guidelines listed below:

1. If provided, use the pre-addressed copy of the return imprinted with the taxpayer's name and address.
2. Print amounts only on those lines that are applicable.
3. Use only a black ink pen. Do not use red ink.
4. Keep all numbers completely within the handprint boxes.
5. Because this form is read by a machine, please print your numbers inside the boxes like this:

0	1	2	3	4	5	6	7	8	9	X
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6. All numbers should be rounded to the nearest dollar and numbers should **NOT** be printed over the zeros printed in the handprint boxes used to designate cents.
7. To avoid any delay in processing, use this form for **1999** only.
8. If you are filing an amended return, mark an "x" in the "Amended Return" box.

NAME, ADDRESS, AND SOCIAL SECURITY NUMBER – Print your Social Security Number(s) in the space provided. If there is an error on the pre-addressed return, please correct it on the return. Using the pre-addressed return helps identify your account, saves processing time, and speeds refunds. If you did not receive a booklet that was pre-addressed, print your name, address, and Social Security Number on your return. **If your name and/or address has changed since last year's return (for example, new spouse), please mark the appropriate box.** Print a daytime telephone number in the space provided. If married, please give Social Security Numbers for both you and your spouse.

On a joint return, show the Social Security Numbers in the same order that you show your first names. Your names and Social Security Numbers must be listed in the same order that you listed them on your federal return. If you file a joint return and have different last names, please separate them with "and." For example: "John Brown and Mary Smith."

LINES 1-5 – Filing status – You must use the same filing status on your Louisiana return as you did on your federal return. Mark an "x" in the appropriate box. If your filing status is Head of Household, you must show the name of the qualifying person in the space provided if the person is not a dependent. Head of household status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person.

LINE 6 – Exemptions – Mark an "x" in the appropriate boxes. You must use the same number of exemptions on your Louisiana return as you did on your federal return unless you are listed as a dependent on someone else's return or you are age 65 or over or blind. You must claim an exemption for yourself on Line 6A even if someone else claimed you on their federal tax return. Print in the box provided on Line 6D the total number of exemptions claimed. The names of all dependents must be shown in the space provided.

LINE 7 – Print the amount of your federal adjusted gross income. This amount is taken from federal Form 1040, Line 33, OR federal Form 1040A, Line 18, OR federal Form 1040EZ, Line 4. If your federal adjusted gross income is less than zero, OR if no federal return is required, print zero. Residents with exempt income, interest income from obligations of other states and their political subdivisions, or residents 65 years of age or over with annual retirement income taxable to Louisiana should use Schedule E to determine their Louisiana adjusted gross income. See "Instructions for Schedule E." Mark the box if you used the amount from Louisiana Schedule E. **Nonresidents and part-year residents must use Form IT-540B to file their Louisiana return.**

LINE 8 – Leave Lines 8, 9, and 10 blank if you did **not** itemize your deductions on your federal return. If you did itemize, print on Line 8 the amount of your federal itemized deductions taken from federal Form 1040, Schedule A, Line 28.

LINE 9 – Leave blank if you did **not** itemize your deductions on your federal return. If you did itemize and you marked filing status box 1, print \$4,300; 2 or 5, print \$7,200; 3, print \$3,600; 4, print \$6,350.

LINE 10 – Subtract Line 9 from Line 8 and print the balance. If less than zero, leave blank.

LINE 11 – Subtract Line 10 from Line 7 and print the balance. If less than zero, leave blank.

LINE 12 – Print the amount of your federal tax liability. This amount is taken from federal Form 1040, Line 49, less the amount from Form 4972 shown on Line 40, plus any amounts on Line 51 and any recapture taxes written in OR federal Form 1040A, Line 32, OR federal Form 1040EZ, Line 10.

OPTIONAL DEDUCTION - The federal tax deduction computed above may be increased by the amount of foreign tax credit claimed on federal Form 1040, Line 46. If this additional deduction is elected, no special allowable credit may be claimed on Louisiana Schedule A, Part 4.

Line 13 – Subtract Line 12 from Line 11 and print the balance. If less than zero, leave blank.

LINE 14 – Turn to the tax table that corresponds with your filing status. Locate the amount of your tax table income from Line 13 in the first two columns of the tax table. Read across to the column numbered the same as the total number of exemptions claimed on Line 6D. The amount shown in that column is your Louisiana tax liability. Print this amount on Line 14 of the return. If you have more than eight exemptions, refer to the instructions at the top of the tax tables.

LINE 15A – Print the total from Line 6 of Schedule A. See instructions for Schedule A.

LINE 15B – A credit of \$25 is allowed for each dependent child claimed on Line 6C who was in school for at least part of the year, grades kindergarten through 12th. Multiply the number of qualified dependents times \$25 and print the amount of the credit. This amount must be a multiple of \$25 (\$25, \$50, \$75, etc.). This credit cannot be claimed for the taxpayer or spouse, even though one or both may have been in school.

LINE 15C – Print the total of Lines 15A and 15B.

LINE 16A – Subtract Line 15C from Line 14 and print the balance, OR if no federal return is required, print a "0". If less than zero, leave blank.

LINE 16B – Print the amount from Line 16A.

LINE 17A – Print the amount of Louisiana income tax withheld in 1999. A copy of the withholding tax Form(s) W-2 must be attached to your return for credit to be allowed. If this amount exceeds 10 percent of the federal adjusted gross income shown on Line 7, attach a copy of your federal return.

LINE 17B – Print the total payments made on your estimated taxes including credits carried forward to this year.

LINE 17C – A refundable credit is allowed against income tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, and retailers. The credit for inventory taxes paid to political subdivisions on or after July 1, 1996, shall be 100 percent of such taxes paid.

A copy of the inventory tax assessment and a copy of the cancelled check in payment of the tax must be attached to your return.

LINE 17D – Print the total of Lines 17A, 17B, and 17C.

LINE 18 – If the amount on Line 16B is larger than the amount on Line 17D, you owe additional tax. Subtract Line 17D from Line 16B and print the balance on Line 18. Make payment to the Department of Revenue. **DO NOT SEND CASH.** Write your Social Security Number on your payment and attach it to your return.

LINE 19 – If the amount on Line 17D is larger than the amount on Line 16B, you have overpaid your tax. Subtract Line 16B from Line 17D and print the balance on Line 19.

LINE 20 – Print on Line 20 the total from Line 6 of Schedule D. See instructions for Schedule D.

LINE 21 – Subtract Line 20 from Line 19 and print the balance. This is the amount of overpayment after donations.

LINE 22A – Print the amount of Line 21 you want **REFUNDED** to you.

LINE 22B – Print the amount of Line 21 you want **CREDITED** to your 2000 tax.

If your return is delinquent, you may owe penalties and/or interest. See the "General Information" section in this booklet. To calculate delinquent penalty and interest, use the worksheet below. Round to the nearest dollar.

1. Number of days late from May 15	
2. Divide by 30 days.	÷ 30
3. Number of 30-day periods (If fraction of days remain, add 1.)	

Interest Calculation

4. Tax amount (Amount on Line 18 of return)	\$.00
5. Interest rate per day	.00041
6. Days late (Line 1 above)	x
7. Interest rate (Multiply Line 5 by Line 6.)	
8. Total amount of interest due (Multiply Line 4 by Line 7.)	\$.00

Delinquent Penalty Calculation

9. 30-day penalty percentage	.05
10. Number of 30-day periods (Line 3 above)	
11. Total penalty percentage (Cannot exceed 25 percent) (Multiply Line 9 by Line 10.)	
12. Total amount of penalty due (Multiply Line 4 by Line 11.)	\$.00

Total Amount Due

13. Total of Lines 4, 8, and 12. Include this amount on Line 18 of the return.	\$.00
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If the full amount of tax is not paid on the due date, a late payment penalty will be assessed. The combined amount of delinquent penalty and late payment penalty cannot exceed 25 percent. If you have obtained an approved extension and file your return on or before the extension date, a delinquent penalty is not assessed. To avoid the assessment of the late payment penalty, all taxes must be paid on or before May 15, even if you have an approved extension.

FILING – You must sign and date your return. On a joint return, your spouse must also sign in the space provided. If your return was prepared by a paid preparer, they must also sign in the appropriate space and enter their identification number. **DO NOT SUBMIT A PHOTOCOPY OF THE RETURN.**